

JAPANESE STEWARDSHIP

OF

KOREA



ECONOMIC AND FINANCIAL

BY

FRED A. DOLPH

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DEDICATED
TO THE
PATRIOTS OF KOREA

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FOREWORD.

Japan occupies a fiduciary relation to Korea and that relation is emphasized by the fact that she assumed that position by self-appointment. At some time she must render a strict final account of her stewardship, as agent and trustee, for she entered Korea under a solemn treaty covenant, declaring that: "The Imperial Government of Japan definitely guarantees the independence and territorial integrity of the Korean Empire."

So much is said, by Japanese and pro-Japanese, about the material benefits that have accrued to the Korean people from Japanese domination and control of Korea, that I have been led to make an investigation of the facts, from a purely economic and financial standpoint; ignoring, for the time being, all questions of Japanese violations of national honor, sanctity of treaties, fundamental rights, morals and political justice.

Having made this investigation, with access to both Korean and Japanese records, and with reliable information from other sources, I am compelled, in justice to an unfortunate and oppressed people, who have been unheard on this question, to publish the facts. Wherever Japanese and Korean records have been in conflict, as to amounts received or expended, I have adopted Japanese statistics, in order that no injustice may be claimed. The facts are a sad enough reflection upon Japan's management, in either case.

Japan parades before the world that \$67,000,000 has been spent in Korea, in extension of railroads, building of highways, paving streets, installing water works, sewers, improving harbors and other public works, and in government-owned industrials. The world should know, also, that for all these purposes \$38,000,000 in excess of that amount has been taken out of Korea, by way of increased taxes and enlargement of the national debt.

We hear it claimed on all sides that Japan is doing great things by way of afforestation in Korea. The simplest incidents are enlarged upon and elaborated with printed and pictured propaganda. In one pamphlet is a large full page reproduction of a photograph of a few school children on a Korean mountainside, said to have been taken on Arbor Day, a memorial holiday fixed by the Japanese to commemorate the death of Emperor Jimmu. This may be evidence of the fact that Koreans are nothing loathe to celebrate the death of a Japanese Emperor, but is not convincing that the amount of afforestation there shown offsets the devastation of the Korean national forest preserves.

In the same pamphlet is another full page cut of a twig, perhaps a foot high, being watched over by the Japanese Governor-General and his whole suite in full regalia, but you can well believe that their thoughts are on another scene of the same moment—the broad waters of the Yalu and Tumen Rivers, filled from bank to bank with great logs cut by Japanese, floating to Japanese mills for sawing and export, where a thousand cho of Korean forests are being devastated to every fraction of a cho that is being planted.

In the same line we find references to what great things Japan has done in the extension of railroads; but the fact is suppressed, though a matter of public record, that the railroad from Fusan to Masampo and from Seoul to Antung was built by the Japanese War Department at the time of the Russian War as a military necessity, and after the war its expense was saddled onto Korea, and Korea's National Debt was correspondingly increased.

Japanese say that foreign trade with Korea has been doubled. Why should it not show an increase when Japanese ships are carrying away Korea's timber by millions of feet per annum; her coal at the rate of over a thousand tons a day; her iron ore at about the same rate, and gold and silver bullion from her mines is being exported at the rate of between \$7,000,000 and \$9,000,000 per annum?

The same things are true about the financial and banking conditions. Japan claims to have established a great bank in Seoul. Its banking office is shown as one of the sights of the city, but the fact is concealed that the greater part of its supposed reserve, for currency issued, is ordinary bills discounted and notes of hand, to say nothing of the fact that a claimed reserve of specie of about 17,000,000 yen is 10,000,000 yen in excess of all the specie in the whole country of Korea. A palpable and obvious falsehood. The bank would be immediately closed if located in this country, or any other with a sound financial banking system.

The facts on these subjects, and kindred matters, are submitted to the public in as simple and concise form as I am able to present them. References to money, dimensions and distances are converted into United States denominations and units in order that they may be more quickly comprehended.

FRED A. DOLPH.

Washington, D. C.,
April, 1920.

JAPANESE STEWARDSHIP OF KOREA.

The Appendix to this statement contains copies of the treaties and agreements between Japan and Korea, at the inception of the Japanese stewardship of Korea, all centering around and based upon the following specific provision:

Article III. The Imperial Government of Japan definitely guarantees the independence and territorial integrity of the Korean Empire.

This is the provision under which Japan entered Korea, and whatever Japan has done, must be considered as done in the capacity of agent and trustee, for its principal, Korea. The final accounting must be had, with that fact constantly in mind. That Japan has long since reduced the quoted provision to a mere "scrap of paper" is beside the question. The agent and trustee cannot deny the existence and entity of his principal, nor a tenant set up an adverse title to his landlord.

National Debt.

The world will date the commencement of the active stewardship that Japan inflicted on Korea from the time of the alleged Protectorate—November 17th, 1905. At that time Korea had no national debt, except small temporary loans and current running indebtedness, aggregating, when final adjustments and payments were all made, \$368,256.50.

When Japan appointed itself guardian of Korea, against her wishes and her protests, Korea may have been poor. She may not have had all of the improvements that make for luxury and convenience, but she knew what she had, and enjoyed what she had, without debtor's worries. She was out of debt. She had lived within her means.

At the time of the supposed annexation on August 27th, 1910, Japan had increased Korea's national debt to \$22.-

063,226.50, and on December 31st, 1917, it reports this indebtedness to be still further increased to \$46,843,415. Consequently, the increase in national indebtedness under Japanese stewardship and management has been the difference between the original indebtedness of \$368,256.50 and the present reported national debt of \$46,843,415.00, which is \$46,475,158.50. It is obvious that for this latter sum Japan must make some accounting by way of improvements, good roads, public works, etc.

Korea's annual interest charge has risen to \$2,522,063.37, which is over 40 per cent of the total of her former normal annual expense.

Taxes.

Increasing the national debt by over forty-six millions of dollars is not the only evidence of Japanese financial efficiency. Taxes were increased beyond normal, to an almost unbelievable amount, and in considering what Japan must account for in betterments, good roads, public works, etc., we must also take into account the excess taxes and revenues collected by Japan from the Korean people, over the normal amount.

We hear it reiterated, time and again, that one of the moving causes for Japanese interference in Korean affairs, was to protect the people against extortion and taxes. That being their avowed purpose, then no objection can be taken to the premises of adopting the last Korean expense for 1905, as the normal administration expense for Korea. Using that figure, \$3,561,907.50, as the annual base, then if Korea had been left to her own devices, the people would have paid a total in the twelve years, from 1905 to 1917, of \$42,742,890, but the Japanese collected over twice as much in that time, a total of \$92,841,767.50, so that Japan has another item of \$50,098,877.50 to account for in betterments, improvements, good roads, etc.

Oriental Development Company.

The Oriental Development Company, Limited, was chartered by Japan by Law No. 63 on August 26th, 1908, during the period of the so-called protectorate of Korea. Its stated purpose was to engage "in exploitation enterprises in Korea." Its capital was fixed at \$5,000,000.00. Its charter contained the usual Japanese provisions for governmental control and domination. Its President must be a Japanese subject and at least two-thirds of its Directors must be Japanese. It was authorized to own and lease lands, make loans to tenants and settlers; and could issue debentures against such loans, practically without restriction, except that they should not exceed twice the capital stock. It was required to lay by 8 per cent of its profits to provide for deficit in capital stock and 2 per cent additional to "equalize dividends," whatever that may mean in practical Japanese application. It was a Government controlled Private Corporation, with private stockholders, and began business with the year 1909.

Although this was a private owned corporation, Japan compelled the Korean Government to turn over to it all of the government-owned cultivated lands in Korea, and to accept stock in return, great care being taken that Korea should never have over about 30 per cent of the entire issue of stock.

It might be well to explain, that these government-owned cultivated lands in Korea, grew out of the ancient plan for raising government or common funds. A square or plot was divided, as near as possible, into nine smaller plots of equal size—similar to the section divisions in a township. The center plot was the commons or government land. It was cultivated by the surrounding eight families, and the product went into the common government fund.

These initial land holdings, obtained by the Oriental Development Company from the Korean Government, aggregated 24,593 acres, and as the lands were taken over

stock was issued to Korea, and the outstanding stock of the corporation was correspondingly increased in each instance of addition, so that Korea should not at any time have stock control, until finally the total authorized capital stock of the corporation stood at \$5,000,000, with the amount issued to Korea at \$1,500,000.

In many ways, said to be devious and oppressive, the corporation increased its land holdings until they stood at the end of 1917 at 179,786 acres, which is over 2 per cent of the entire cultivated area of Korea, reported at 8,794,282 acres. It has issued debentures to the amount of \$9,675,000, from the proceeds of which it has made loans to occupants of other lands on oppressive and usurious terms, so that the whole agricultural country is in the grasp of this Japanese monopoly.

However, the ways and methods of this corporation is another story, as I have pledged myself to refer to only existing economic conditions and results from a money standpoint. The company has never paid a dividend of less than 6 per cent; several years, 6½ per cent, and one year 7 per cent, and reports, at the end of 1917, that it has a surplus of \$334,750.

In any event, Korea is entitled to dividends upon the stock issued to it, and to a proportion of the surplus on the basis of that capital stock. The dividends and division of surplus to which Korea is entitled, follow:

6 per cent dividend on \$375,000 stock issued to Korea, first three years of operation. . .	\$67,500
6½ per cent dividend on \$750,000 stock issued to Korea, fourth year of operation.	48,750
7 per cent dividend on \$1,125,000 stock issued to Korea, fifth year of operation. . .	78,750
6½ per cent dividend on \$1,500,000 stock issued to Korea, succeeding five years. . . .	487,500
30 per cent of surplus of \$334,750.	100,425

Total dividends and surplus due Korea to end of 1917 \$782,925

This is another little item of nearly a million dollars that must be put in the account against Japan to offset improvements and public works.

Yalu and Tumen River Lumber Undertaking.

In 1907 the Japanese Government forced a treaty upon Korea, that in practical effect made the two governments partners in the project of cutting off Korea's timber from the valleys of the Yalu and Tumen rivers, that form the northern boundary of Korea. The Korean Government furnished the land and the timber and was to receive one-half of the profits of this undertaking.

During the nine years of the operation of this project the Japanese government invested \$406,000 in mills and lumbering equipment; felled 15,185,294 cubic shaku (shaku is about a cubic foot), costing \$1,611,235.50 delivered at the selling station. The total sales were \$3,937,476.50, netting a total profit of \$2,326,241.00, of which the one-half due Korea is \$1,163,140.50.

There is a conflict of authority, as to whether this accounting includes the lumber used in railroads and public works and in building Japanese barracks, which is a very considerable item; but in any event, and beyond doubt, at least the above sum of \$1,163,140.50 should be charged against Japan's cost of improvements in Korea, and Japan should be credited with the \$406,000 expended in capital account, unless she elects to keep the mills and equipment for use in a similar project on the Manchurian side of these two rivers.

Operation of Railroads.

The physical property now consists of the main line of single track from Fusan through Seoul to Antung, a distance of 584.6 miles, laid with 76-pound rail, and an aggregate of 481.4 miles of branch lines, laid with 65-pound rail, running to various ports—that is, to Masampo, Mokpo, Kunsan, Chemulpo, Chinampo and Wonsan and beyond,

making a total mileage of 1,066. There are ten bridges or so, across the Yalu and other waterways, having an aggregate length of 17,276 feet; and about as many tunnels, with an aggregate length of 10,470 feet. The gauge is standard, and the ties are chestnut and similar quality. The Branch to Chemulpo is graded and bridged for double tracks, but only one track is laid. The equipment consists of 175 engines, 370 passenger cars and about 1,800 freight cars.

At the commencement of the Russian-Japanese War in 1904, the railroads in Korea had a mileage of about 300 miles and had been built at a reported cost of approximately \$20,000,000. Physically, the lines extended from Seoul to Fusan, with a branch to Chemulpo.

The War Department of Japan immediately took over this line of railroad, and extended the line from Fusan to Masampo, and from Seoul to Antung, to facilitate the movement of troops through Korea to Siberia and Manchuria, increasing the mileage to 641 miles.

After the conclusion of the war, all of this expense was saddled onto Korea, and Korea became a part owner of the railroad. From time to time, after that, extensions were made and permanent bridges were built, until in 1917, the total capital account stood at \$73,362,500, of which Korea's share was \$37,645,123.

This latter sum is the accumulation of several years of Korean taxes and proceeds from its national obligations, so that Korea is entitled to a pro rata of the net receipts of the operation of the railroads, as its money and resources were furnished and charged against it, from time to time, in proportion to the original investment in railroads. A computation on this basis gives Korea \$1,967,505.50. For this latter amount Japan must be charged, and she will be given due credit for the capital account said to have been expended in extensions and betterments.

In giving credit for this capital account of \$37,645,123, no reasonable man can help but think and believe, that it is at least twice what it should be, and doubtless many times what it should be. However, I have started out to

give Japan the benefit of all doubts, and for the time being, will do so in this case.

Yet we cannot help but remember, that the right of way was practically all confiscated, together with ties, bridge timbers and much other material; that over half of the labor was not paid for at all, and the other half paid but a mere pittance. I have no doubt that any responsible American contractor would undertake to duplicate the extensions and betterments Japan has made at Korea's expense, under the same conditions as to labor and materials, for from ten to fifteen millions of dollars.

Tramways.

The government-owned tramways—that is, those built and financed with Korean taxes and public loans, in 1917 were 79.3 miles and are said to have cost \$1,203,000, and to earn about \$7,000 or \$8,000 per year net; the last reported gross receipts being \$117,337.50 and expenditures being \$110,024.50.

Ginseng Receipts.

From time immemorial the production of ginseng, a medicinal herb, has been one of the specialties of Korean agriculture. The product has always been sold to the government and by it resold, and the profits have been no inconsiderable part of the governmental revenue. From 1908 to the end of 1916 the purchases of ginseng aggregated \$1,107,696.00, and the sales were \$3,321,665.50, producing a profit of \$2,213,969.50.

Coal Mining.

Government operated coal mines are located near Pyeng Yang. The physical properties, consisting of 7 miles of railroad sidings, 4 mining stations, 3 loading piers, etc., are said to have cost \$627,981.50. During five years of operation to the end of fiscal year, 1916, 959,340 tons of coal were mined. The sales were \$3,836,761.50, and the

operating expenses \$3,258,196.00, producing a profit of \$578,516.50. This latter sum should be accounted for by Japan, and Japan should be credited with the capital account.

Salt Works.

Government operated salt works are located near Chemulpo and near Chinampo, with an aggregate pan area of 2,524.24 acres, said to have cost \$582,143.50. Production commenced in 1913, and three years' operation produced a profit of \$347,794.00.

Iron Mines.

Iron mines were opened in Hoanghai Province, with a shipping port at Chinampo, in 1907, and were operated two years as a government project, and then turned over to a private Japanese corporation. During the period of government operation the profits were \$165,481.50. Since 1909 thousands of tons of iron ore have been taken out by this Japanese corporation, with no return or royalty of any kind to Korea, except nominal fees for mining permits.

Amounts Confiscated from Forest Preserves.

For hundreds of years certain tracts of forests and mountains, for sentimental, historic and practical reasons, have been kept intact and undisturbed by Korea; but Japan, trampling down all sentimental, artistic and historic reasons, has gone into these preserves, and the products she has obtained by their devastation, up to 1917, realized \$586,305.50.

Water Works.

There are four government-owned water works plants in Korea: Seoul, purchased from Collbran & Bostwick at \$1,408,076.50; Chemulpo, constructed at a cost of \$1,204,919.50; Pyeng yang, constructed at a cost of \$650,000, and Chinampo, constructed at a cost of \$210,000. The net re-

ceipts from these plants up to 1917 aggregated \$370,354.00, for which amount Japan should account, due credit being given for the cost, or capital account.

Miscellaneous Industrials and Utilities.

A number of industries and utilities have been inaugurated and their extension and enlargement has been absorbed by the net receipts. The principal item would be telephones and telegraphs that are operated as a part of the postal system. In this system the receipts and expenditures are kept about even and extensions are made out of the earnings. The same is true of a brick plant that was started near Mokpo, the government printing plant at Seoul, and a number of other more or less important industrials and utilities. In this situation it is not necessary to complicate this statement of a general debit and credit balance, between Japan and Korea, with their details.

These preliminary explanations will enable the reader to understand the following debit and credit balance sheet between Korea and Japan, showing the real result of the Japanese Self-Appointed Stewardship of Korea up to the end of 1917. This statement is closed with the end of 1917, because only fragmentary details and statistics could be obtained from Japanese sources since that time, and the writer did not care to have it said that he relied wholly upon Korean authority in any instance. The purpose is to make this compilation incontestable and absolutely impartial.

Balance Sheet Between Japan and Korea.

November 17th, 1905, to December 31st, 1917.

Extraordinary Receipts by Japan—

Increase in Korea's national debt.....	\$46,475,158.50
Excess taxes collected by Japan in Korea over normal tax	50,098,877.50
Dividends due Korea on stock in the Oriental Development Company.....	782,925.00
One-half profit due Korea from the Yalu and Tumen river lumber undertaking.	1,163,140.50
Dividends due Korea from operation of railroads	1,967,505.50
Dividends due from operation of tramways or narrow guage railroads.....	32,000.00
Proceeds from conduct of ginseng traffic..	2,213,969.50
Proceeds from operation of coal mines....	578,516.50
Proceeds from operation of salt works....	347,794.00
Proceeds from operation of iron mines....	165,481.50
Amounts confiscated from forest preserves and parks	586,305.50
Profits from operation of water works at Seoul, Chemulpo, Pyeng Yang and Chinampo	370,354.00
Total	\$104,782,028.00

Extraordinary Expenditures by Japan—

Extension of railroads.....	\$37,645,123.00
Capital account lumber undertaking.....	406,000.00
Capital account coal mines.....	627,981.50
Capital account salt works.....	582,143.50
Capital account tramways.....	1,203,000.00
Capital account water works.....	3,472,996.00
Roads and streets.....	5,721,999.50
Bridges	2,650,000.00
Harbors	4,108,414.50
Buildings	1,162,572.00
Land survey	8,331,539.50
Forestry survey	183,768.50
Hospitals	474,197.50
Submarine cable	80,000.00

\$66,649,735.50

Difference in favor of Korea..... \$38,132,292.50

Land Survey.

The largest item in the expenditure side of the foregoing schedule, outside of railroad extension, is \$8,331,-539.50, said to have been spent for "Land Survey."

The necessity for this expenditure can well be doubted. The American Minister to Korea in one report to the State Department, dated August 21st, 1883, says: "The title to lands are derived from the government and are carefully registered in local offices." In a later report from the same source, dated March 20, 1886, is found the statement: "The excellence and great number of maps to be found are remarkable. There are, even in the smallest villages, maps on large scales, showing minute details."

Koreans strenuously insist that there was no occasion for this expenditure; that if records and surveys were lacking it was because the Japanese had themselves destroyed them. That the real object of this expenditure was graft, and if it had any use whatever it was to enable the Oriental Development Company to locate particularly fertile fields for its exploitations.

The statements of our own American Ministers upon which we must and should rely, being entirely disinterested, bear out, at least give great force, to the Korean contentions in regard to this enormous expense for "Land Survey." However, the expenditure is said to have been made, and for the purposes of this statement will be allowed to stand.

Readjustment of National Debt.

If the Japanese financiers who were advising Korea, or more accurately, dominating Korea, had applied the excess of extraordinary receipts over expenditures, as shown by the schedule that has just been set out, to the reduction of Korea's national debt, it would have been only \$8,342,-866.00, instead of \$46,475,158.50.

There is another offset or claim of extraordinary expense made by Japan, but it needs prayerful consideration. They

claimed that Korean coinage needed reforming, which, of course, was just the forerunner and excuse for Japanizing it. All of the Korean coins, nickel, copper and brass, were withdrawn from circulation, and the Japanese-minted coin was substituted. By this process 9,438,431 yen of nickels, and 4,212,210 yen of copper and other coins, totaling in our money \$6,825,320.50, was called in and changed to extrinsic money value. A credit of only \$847,550.00 is given for the old metal, nominally showing a loss of nearly \$6,000,000.

In other words, Japan would have us believe that the intrinsic value of Korean coins, put out at full intrinsic value, was only .0125 of par, and that they had been debased .9875 below par by the Korean government. This is too stupendous a misrepresentation to be considered in even a *prima facie* showing.

Even if we concede the necessity for this change in coinage, 25 per cent loss between face value and intrinsic value would be a large allowance, under the circumstances. Place this loss at \$1,800,000.00 and it would still be an injustice to Korea.

Japan is a stockholder in the Bank of Chosen to the extent of \$1,500,000, and has extended government aid to the bank to the extent of \$600,000 so that it has an interest in the bank of \$2,100,000.00 and it is owing the bank \$1,875,000.00, so that after paying its loans its interest in the bank is really only nominal, about \$225,000.00.

Consequently if we add both of the items last referred to the \$8,342,866.00 mentioned in the first paragraph of this subject, we would only have \$10,367,866.00 as the national debt of Korea, using Japanese figures and statistics in every instance, except in the one instance of the alleged loss in redemption of old Korean coins.

CONCLUSION.

The time must come when a final economic and financial adjustment will have to be made by Japan of her stewardship of Korea, and the results of this investigation make it

perfectly plain and simple as to what that adjustment will be. The purpose of this statement has been to define and state the issues. Japanese statements and information as to details have been purposely taken, in order that there should be no collateral discussion as to isolated, individual items, to cloud the main issues.

If it is possible to ignore the question of indemnity to Korea for unlawful occupation and usurpation; the thousands that have been murdered; the hundreds of thousands that have been maimed and wounded, the more hundreds of thousands that have been tortured and imprisoned, and the fact that all Korea has been robbed of its freedom and liberty for more than twelve years; and if it is possible to accept Japanese padded figures and distorted accounts, then upon Japan's own showing, the least that she can do is to get out of Korea and turn over to Korea all her governmental, economic and financial interests in the country, and cancel all of the supposed national debt of Korea, down to somewhere near what it should be—on her own showing as demonstrated in this statement, to approximately \$10,000,000.

Privately owned economic and financial interests in the hands of private citizens of Japan, for the most part are represented by stock in corporations, that can easily be reorganized or made subject to just general incorporation laws of Korea, protective alike to all nationals.

No difficulties are presented by the economic and financial situation that can not readily be worked out. The great question is, how long will the world stand idly by without protest or intervention, watching one of the oldest nations on earth being strangled to death?

APPENDIX.

Subjects:

- A....Treaty of February 23rd, 1904.
- B....Treaty of August 22nd, 1904.
- C....Treaty of April 1st, 1905, relating to posts and telegraphs, etc.
- D....Treaty of August 13th, 1905, relating to coast trade.
- E....Japanese proclamation of November 22nd, 1905.
- F....Charter of the Oriental Development Company.
- G....Treaty relating to lumber undertaking along the Yalu and Tumen rivers.
- H....Treaty relating to the organization of a central bank.
- I....Charter of the Bank of Chosen.
- J....Schedule of national debt as reported by Japan up to December 31st, 1917.
- K....Schedule of excess taxes collected by Japan

APPENDIX.

A.

Protocol Concluded Between Japan and Korea on February 23, 1904, Regarding the Situation at Korea.

Hayashi Gonsuke, Envoy Extraordinary and Minister Plenipotentiary of His Majesty the Emperor of Japan, and Major-General Ye-tchi-yong, Minister of State for Foreign affairs ad interim of His Majesty the Emperor of Korea, being respectively duly empowered for the purpose, have agreed upon the following Articles:

Article 1. For the purpose of maintaining a permanent and solid friendship between Japan and Korea, and firmly establishing peace in the Far East, the Imperial Government of Korea shall place full confidence in the Imperial Government of Japan and adopt the advice of the latter in regard to improvements in administration.

Article II. The Imperial Government of Japan shall in a spirit of firm friendship, ensure the safety and repose of the Imperial House of Japan.

Article III. The Imperial Government of Japan definitively guarantee the independence and territorial integrity of the Korean Empire.

Article IV. In case the welfare of the Imperial House of Korea or the territorial integrity of Korea is endangered by aggression of a third Power or by internal disturbance, the Imperial Government of Japan shall immediately take such necessary measures as the circumstances require, and in such cases the Imperial Government of Korea shall give full facilities to promote the action of the Imperial Japanese Government.

The Imperial Government of Japan may, for the attainment of the above-mentioned objects, occupy, when the circumstances require it, such places as may be necessary from strategical points of view.

Article V. The Government of the two countries shall not in future, without mutual consent, conclude with a third Power such an arrangement as may be contrary to the principles of the present Protocol.

Article VI. Details in connection with the present Protocol shall be arranged as the circumstances may require, between the Representative of Japan and the Minister of State for Foreign Affairs of Korea.

Hayashi Gonsuke, (Seal)

Envoy Extraordinary and Minister Plenipotentiary.

The 23rd day of the 2nd month of the fifth year of Meiji.

Major-General Ye Tchi-yong, (Seal)

Minister of State for Foreign Affairs ad interim.

The 23rd day of the 2nd month of the 8th year of Kwang-mu.

B.

Agreement Between Japan and Korea, Signed August 22, 1904, Relating to the Financial and Diplomatic Advisers.

Article I. The Korean Government shall engage a financial adviser to the Korean Government a Japanese subject commended by the Japanese Government, and all matters concerning finances shall be dealt with after his counsel has been taken.

Article II. The Korean Government shall engage a diplomatic adviser to the Department of Foreign Affairs a foreigner commended by the Japanese Government, and all important matters concerning foreign relations shall be dealt with after his counsel has been taken.

Article III. The Korean Government shall previously consult the Japanese Government in concluding treaties and conventions with foreign powers, and in dealing with other important diplomatic affairs, such as the grant of concessions to or contracts with foreigners.

Hayashi Gonsuke, (Seal)

Envoy Extraordinary and Minister Plenipotentiary.

The 22nd day of the 8th month of the 37th year of Meiji.

Yun Chi-no, (Seal)

Acting Minister of State for Foreign Affairs.

The 22nd day of the 8th month of the 8th year of Kwang-mu.

C.

Agreement Between Japan and Korea, Signed April 1, 1905, Regarding Communications Services.

The Imperial Government of Japan and Korea finding it expedient from the standpoint of the administration and finances, of Korea, to rearrange the system of communications in that country, and, by amalgamating it with that of Japan, to unite the two systems into one common to the two countries, and having seen the necessity, with that object in view, of transferring the post, telegraph and telephone services of Korea to the Japanese Government, Hayashi Gonsuke, Envoy Extraordinary and Minister Plenipotentiary of Japan, and I. Ha-Yong, Minister of State for Foreign Affairs of Korea, each invested with proper authority, have agreed upon and concluded the following articles:

Article I. The Imperial Government of Korea shall transfer and assign the control and administration of the post, telegraph and telephone services in Korea (except the telephone service exclusively pertaining to the De-

partment of the Imperial Household) to the Imperial Japanese Government.

Article II. The land, buildings, furnitures, instruments, machines and all other appliances connected with the system of communications already established by the Imperial Government of Korea, shall, by virtue of the present Agreement, be transferred to the control of the Imperial Japanese Government.

The authorities of the two countries acting together shall make an inventory of the land, buildings, and all other requisites mentioned in the preceding paragraph, which inventory shall serve as evidence in the future.

Article III. When it is deemed necessary by the Japanese Government to extend the communications system in Korea, they may appropriate land and buildings belonging to the State, or to private persons; the former without compensation and the latter with proper indemnification.

Article IV. In respect of the control of the communications service and the custody of the properties in connection therewith, the Japanese Government assume on their own account, the responsibility of good administration.

The expense required in the extension of the communications service shall be borne by the Imperial Government of Japan.

The Imperial Government of Japan shall officially notify the Imperial Government of Korea of the financial condition of the system of communications under their control.

Article V. All appliances and materials which are deemed necessary by the Imperial Government of Japan for the control or the extension of the system of communications shall be exempt from all duties and imposts.

Article VI. The Imperial Government of Korea shall be at liberty to maintain the present Board of Communications so far as such retention does not interfere with the control and extension of the service by the Japanese Government.

The Japanese Government, in controlling and extending

the services, shall engage as many Korean officials and employees as possible.

Article VII. In respect of the arrangement formerly entered into by the Korean Government with the governments of foreign Powers, concerning the post, telegraph or telephone services, the Japanese Government shall in behalf of Korea, exercise the rights and perform the obligations pertaining thereto.

Should there arise in the future any necessity for concluding any new convention between the Government of Korea and the governments of foreign Powers concerning the communications services, the Japanese Government shall assume the responsibility of concluding such convention in behalf of the Korean Government.

Article VIII. The various conventions and agreements respecting the communications service hitherto existing between the Governments of Japan and Korea are mutually abolished or modified by the present agreement.

Article IX. When in the future as a result of the general development of the communications service in Korea, there is some adequate profit over and above expenditures defrayed by the Japanese Government for the control and maintenance of the old services and for their extensions and improvements, the Japanese Government shall deliver to the Korean Government a suitable percentage of such profit.

Article X. When in the future an ample surplus exists in the finances of the Korean Government the control of their communications service may be returned to the Government of Korea, in the sequel of consultation between the Governments.

Hayashi Gonsuke, (Seal)

Envoy Extraordinary and Minister Plenipotentiary.

The 1st day of the 4th month of the 38th year of Meiji.

I. Hay-yeng, (Seal)

Minister of State for Foreign Affairs.

The 1st day of the 4th month of the 9th year of Kwang-mu.

D.

Agreement Respecting the Coast Trade of Korea.

The Imperial Governments of Japan and Korea, deeming it necessary, for the purpose of improving the trade and promoting the development of the resources of Korea, to allow navigation by Japanese vessels along the coasts and in the inland waters of Korea, Hayashi Gonsuke, Envoy Extraordinary and Minister Plenipotentiary of Japan, and I. Ha-Yeng, Minister of State for Foreign Affairs of Korea, duly authorized by their respective governments for the purpose, have agreed upon the following articles:

Article I. Japanese vessels shall be at liberty to navigate along the coasts, and in the inland waters of Korea, for the purpose of trade in accordance with the stipulations of the present agreement, which, however, shall not be applicable to navigation between the open ports.

Article II. Licenses shall be obtained for all Japanese vessels to be employed in navigation of the coasts and inland waters, upon reporting through the Japanese Consular Officers to the Korean Customs the names and residences of the owners, the names, type and carrying capacity of the vessels, as well as the limits within which such vessels are to navigate.

Licenses shall be available for one year from the date of their issue.

Article III. Upon receipt of a license, fees shall be paid to the Korean Customs according to the following rates:

For a vessel of foreign type below 100 tons.....	15.00
For a vessel of Japanese type.....	15.00
For a vessel of foreign type above 100 and below 500 tons	50.00
For a vessel of foreign type above 500 and below 1,000 tons	100.00
For a vessel of foreign type above 1,000 tons.....	150.00

Article IV. Japanese vessels may freely navigate within the limits specified, but shall not proceed to any place not

in Korean territory, except in case of stress of weather or other emergency, or in case special permission has been obtained from the Korean Customs.

Article V. The licenses shall be carried on board the vessels during their voyages, and shall be shown whenever requested by the Korean Customs or by local officials of Korea or by chiefs of villages duly authorized by such local official.

Article VI. Japanese shipowners shall have liberty to lease land for the purpose of building warehouses at the places where their vessels call.

Such owners may also construct piers or wharves on the banks and coasts with the permission of the Korean Customs.

Article VII. In case of infraction of the present agreement by a Japanese vessel, the Korean Customs may cause the license of such vessel to be confiscated, or may refuse to issue a new one, if the offence be found upon examination, to be of a grave nature.

Article VIII. When a Japanese vessel or the crew thereof, infringes the stipulations of the present agreement or of other treaties, or when a member of the crew commits any crime, the Japanese Consular Offices shall deal with the case in accordance with the provisions of the treaties and the laws of Japan.

Article IX. The present agreement shall remain in force for a period of fifteen years from the date of its signature, and after the expiration of each period, further arrangements may be made by mutual agreement.

The two Governments may, however, conclude an agreement by mutual consent, even before the expiration of the aforesaid term, when in future the navigation of Korea shall be further developed.

Hayashi Gonsuke, (Seal)

Envoy Extraordinary and Minister Plenipotentiary.

The 13th day of the 8th month of the 83rd year of Meiji.

I. Ha-yeng, (Seal)

Minister of State for Foreign Affairs.

The 13th day of the 8th month of the 9th year of Kwang-mu.

E.

Declaration of the Japanese Government.

November 22, 1905.

The relations of propinquity have made it necessary for Japan to take and exercise, for reasons closely connected with her own safety and repose, a paramount interest and influence in the political and military affairs of Korea. The measures hitherto taken have been purely advisory, but the experience of recent years has demonstrated the insufficiency of measures of guidance alone. The unwise and improvident action of Korea, more especially in the domain of her international concerns, has in the past been the most fruitful source of complications. To permit the present unsatisfactory condition of things to continue unrestrained and unregulated would be to invite fresh difficulties, and Japan believes that she owes it to herself and to her desire for the general pacification of the extreme East to take the steps necessary to put an end once and for all to this dangerous situation. Accordingly, with that object in view and in order at the same time to safeguard their own position and to promote the well-being of the Government and people of Korea, the Imperial Government have resolved to assume a more intimate and direct influence and responsibility than heretofore in the external relations of the Peninsula. The Government of His Majesty the Emperor of Korea are in accord with the Imperial Government as to the absolute necessity of the measure, and the two governments, in order to provide for the peaceful and amicable establishment of the new order of things, have concluded the accompanying compact. In bringing this agreement to the notice of the Powers having treaties with Korea, the Imperial Government declare that in assuming charge of the foreign relations of Korea and undertaking the duty of watching over the execution of the existing treaties of that country, they will see that those treaties are maintained and respected, and they also engage not to prejudice in any way the legitimate commercial and industrial interests of those Powers in Korea.

F.

The Law Relating to the Toyo Takushoku Kabushiki Kaisha.

(Oriental Development Company, Limited. Promulgated on August 26th, 1908, by Law No. 63.)

Chapter I. General Provisions.

Article I. The Oriental Development Company shall be a joint-stock company the object of which is to engage in exploitation enterprise in Korea, and shall have its head office in Seoul.

Article II. The capital of the Oriental Development Company shall be ten million yen (Y. 10,000,000), but it may be increased on the approval of the Government.

Article III. The shares of the Oriental Development Company shall all bear the name of holders and may be owned exclusively by Japanese and Korean subjects.

Article IV. The payment of the entire amount of shares shall not be a prerequisite for an increase in the capital of the Oriental Development Company.

Article V. The term of existence of the Oriental Development Company shall be one hundred years, counting from the date of registration of its organization, but it may be prolonged subject to the approval of the Government.

Article VI. The Oriental Development Company may, upon approval of the Government, establish branch offices or agencies in Tokyo and elsewhere.

Chapter II. Officers.

Article VII. The Oriental Development Company shall have one President, two Vice-Presidents, four or more Directors, and three or more Auditors.

Article VIII. The President shall represent the Oriental Development Company and have general control of its business affairs.

The Vice-Presidents shall represent the President in

case the latter is prevented from discharging his official duties and shall act as President in case that office is left vacant.

The Vice-Presidents and the Directors shall assist the President, and respectively take charge of a specified part of the business affairs of the Company.

The Auditors shall inspect the business affairs of the Company.

Article 5X. The President shall be a Japanese subject and shall be appointed by the Japanese Government.

Of the Vice-Presidents, one shall be a Japanese subject and the other a Korean subject.

At least two-thirds of the Directors and Inspectors shall be Japanese subjects and the rest shall be Korean subjects.

Of the Vice-Presidents and Directors, Japanese subjects shall be appointed by the Japanese Government, and Korean subjects by the Korean Government. However, in case of the appointment of Directors, a General Meeting of Shareholders shall be caused to elect candidates, twice the number to be appointed, from among the shareholders possessing fifty or more shares.

The Auditors shall be elected at a General Meeting of Shareholders from among Shareholders possessing thirty or more shares.

The term of office of the President, Vice-Presidents and Directors shall be five years, and the term of office of the Auditors shall be two years.

Article X. The President, Vice-Presidents, and Directors shall not engage in any other occupation or business; but this provision shall not be applicable when permission of the Government shall have been obtained.

Chapter III. Business of the Company.

Article XI. The Oriental Development Company shall engage in the following lines of business:

1. Agriculture.

2. Sale, purchase, lease, and lending of land necessary for development;
3. Undertakings connected with land and its control necessary for development;
4. Constructing, selling, buying, renting, and lending of buildings necessary for development;
5. Collection and distribution of Japanese and Korean settlers;
6. Furnishing settlers and Korean farmers with articles necessary for exploitation and the distribution of articles produced or acquired by them;
7. Supplying funds necessary for development.

Article XII. The Oriental Development Company may, upon approval of the Government, engage in Korea, as accessory to the main business, in marine industries or any other enterprise necessary for development.

Article XIII. The supplying of funds mentioned in the 7th item of Article XI shall be effected according to the following methods:

1. Loans to Japanese and Korean settlers for defraying the expenses of settling, which are to be reimbursed in annual installments within twenty-five years;
2. Loans to settlers and Korean farmers on the mortgage of immovable properties in Korea, which are to be reimbursed in annual installments within fifteen years;
3. Loans to settlers and Korean farmers on the mortgage of immovable properties in Korea, which are to be reimbursed at specified times within five years;
4. Loans to settlers and Korean farmers on the security of articles produced or acquired by them;
5. Loans on the mortgage of immovable properties in Korea, which are to be reimbursed at specified times within three years.

In regard to the loans mentioned in Item 1 of the preceding paragraph, the methods and terms thereof shall be determined in advance and the approval of the government shall be obtained.

The total amount of loans mentioned in Items 2-5 of

the above paragraph shall not exceed one-fifth of the total of the paid-up capital and unredeemed loans of the company.

Article XIV. The amount of loans on the security of immovable or movable properties shall not exceed two-thirds of the value appraised by the Oriental Development Company. However this provision shall not be applicable to loans mentioned in Item 1, Paragraph 1, of the preceding article.

Article XV. Loans on the security of immovable properties must be first mortgages.

Article XVI. For loans to be reimbursed in annual installments, the first five years shall be specified as the period during which no redemption shall be made.

Article XVII. The principal and the interest thereon shall be included in annual installments, and equal amounts shall be specified to be redeemed each year; but this provision shall not be applicable to the interest for the period during which no redemption shall be made.

Article XVIII. A debtor whose loan contract provides for redemption in annual installments may redeem the whole or a part of the loan prior to the expiration of the term of redemption.

In the case mentioned in the preceding paragraph, the Oriental Development Company may demand proper fees according to the rates specified in the Regulations of the company.

Article XIX. In the following cases the redemption of the whole of a loan may be demanded even prior to the expiration of the term of redemption:

1. When a loan is employed by the debtor for any purpose other than that for which loans were created.

2. When a debtor has delayed the payment of annual installments and has failed to make payment even after receipt of a demand for payment;

3. When the whole or a part of immovable properties held as security has been appropriated for public use. However, this provision shall not be applicable when the

debtor has furnished money covering the appropriated security or has supplemented the security with other adequate immovable properties.

If the appropriation is partial in the case mentioned in Item 3 of the preceding paragraph, the demand for redemption shall be proportioned to the amount appropriated.

Article XX. When the value of security has fallen to such an extent that with reference to the balance of a loan a deficit has been caused in the proportion mentioned in Article XIV, a demand may be made for additional securities or for the redemption of a part of the loan corresponding to the said deficit.

When a debtor has not complied with the demand mentioned in the preceding paragraph the redemption of the whole of a loan may be demanded even prior to the expiration of the term of redemption.

Article XXI. Any surplus of money remaining on account of business shall not be used for any other purpose than to invest temporarily in national loan bonds or bills, or to deposit with a bank which may be designated by the government.

Article XXII. The Oriental Development Company may, if necessary on account of business, contract a loan upon the approval of the government.

Chapter IV. Debentures of the Oriental Development Company.

Article XXIII. Debentures may be issued by the Oriental Development Company to the extent of ten times the capital.

When the Oriental Development Company issues debentures the provisions of Article 199 of the Commercial Code shall not be applicable.

Article XXIV. Whenever there is a desire for issuing debentures by the Oriental Development Company, the amount and term of the same, as well as the method of

issue and redemption, shall be specified and the approval of the Government thereto shall be obtained.

Article XXV. When debentures are to be issued by the Oriental Development Company, payment may be made in several installments.

Article XXVI. The debentures issued by the Oriental Development Company shall be unregistered after the whole amount has been paid up.

Article XXVII. Owners of debentures issued by the Oriental Development Company shall have, with reference to the properties of the Oriental Development Company, the right to have their claims paid prior to those of any other creditors.

Article XVIII. The Oriental Development Company, in order to renew debentures, may issue new debentures without observing for the time being the restrictions mentioned in Article 23. However, in this case the old debentures corresponding to the total amount of the new debentures shall be redeemed within one month after the issuance of the new debentures.

Article XXIX. Debentures issued by the Oriental Development Company shall remain unredeemed for five years, and shall be redeemed within thirty years.

Article XXX. The Oriental Development Company may, upon approval of the government, purchase and cancel its debentures.

Chapter V. Reserve Fund.

Article XXXI. At each business period the Oriental Development Company shall lay by as a reserve fund eight-hundredths (8-100) or more of the profits in order to provide for any deficit in the capital stock, and shall also lay by two-hundredths (2-100) or more of the profits in order to equalize dividends.

Article XXXII. The government shall supervise the business affairs of the Oriental Development Company.

Chapter VI. Supervision and Aid of the Government.

Article XXXIII. The government shall appoint the Supervisors of the Oriental Development Company and shall cause them to supervise the business affairs of the Oriental Development Company in co-operation with the supervisors appointed by the Korean Government.

The Supervisors of the Oriental Development Company may at any time inspect the safes, books, documents, and other articles of the company.

The Supervisors of the Oriental Development Company should they deem it necessary, may at any time order the officers to report on the various business accounts and the condition of business affairs.

The Supervisors of the Oriental Development Company may be present at a general meeting of shareholders, or at any other meeting, and may state their views.

ARTICLE XXXIV. The government may issue any order that may be deemed necessary for supervising the Oriental Development Company.

Article XXXV. Should any resolution of the Oriental Development Company or the acts of its officers not conform to the laws and ordinances or the regulations of the company, or be deemed detrimental to public interest, the government may cancel the said resolution or discharge the officers concerned. When any officer of the Oriental Development Company has failed to execute matters ordered by the authorities supervising the company, he shall be similarly dealt with.

Article XXXVI. The Oriental Development Company shall not dispose of its profits without obtaining the approval of the government.

Article XXXVII. When the Oriental Development Company determines Regulations relating to immigration or any other provisions, it shall obtain the approval of the government.

Article XXXVIII. When the Oriental Development Company desires to alter matters already approved by the

government, the further approval of the government shall be obtained.

Article XXXIX. The government shall grant to the Oriental Development Company a subsidy in each business year at the rate of three hundred thousand yen per annum for a period of eight years commencing from the date of the registration of the company's establishment. When, however, the rate of dividend for any business year exceeds eight per cent per annum of the paid-up capital, the amount corresponding to the excess shall be deducted from the subsidy.

Article XL. When the rate of dividend exceeds ten per cent per annum of the paid-up capital, the amount of excess shall be applied for the reimbursement of the subsidy mentioned in the preceding article.

When the reimbursement mentioned in the preceding paragraph has been completed, one-half of the amount of the excess referred to shall be laid by as a special reserve fund.

Chapter VII. Penal Provisions.

Article XLI. When any of the following offenses have been committed on the part of the Oriental Development Company, the President or the Vice-Presidents acting as or representing the President shall be liable to a fine of not less than one hundred yen and not exceeding one thousand yen. If the offense relates to matters divided into different parts and taken charge of by the Vice-Presidents or the Directors, the Vice-Presidents or the Directors concerned shall be liable to a fine of a similar amount:

1. When the approval of the government which should be obtained according to the provisions of this law has not been obtained.

2. When business is engaged in without observing the provisions of Article 11.

3. When funds have been furnished in contravention of the provisions of Articles 13-17.

4. When a surplus of the business account has been used in contravention of the provisions of Article 21.

5. When the debentures of the Oriental Development Company have been issued in contravention of the provisions of Article 23; provided that this provision shall not be applicable to the case mentioned in Articles 28.

6. When the debentures issued by the Oriental Development Company have not been redeemed, in contravention of the provisions of Article 28.

7. When the profits have been disposed of in contravention of the provisions of Articles 31 and 40.

Article XLII. When the President, Vice-Presidents or Directors of the Oriental Development Company have acted in contravention of the provisions of Article 10 they shall be liable to a fine of not less than twenty yen and not exceeding two hundred yen.

Article XLIII. The provisions of Article 206-208 of the law relating to the procedure of non-contentious cases shall be applicable to the fines provided for in the two foregoing articles.

Supplementary Articles.

Article XLIV. The government shall appoint an Organizing Commission, which shall be caused to conduct, in co-operation with the Organizing Commission appointed by the Korean Government, all business connected with the organization of the Oriental Development Company.

Article XLV. The Organizing Commission shall draw up the Regulations of the Company, and after obtaining the approval of the government shall call for subscriptions for the shares.

Article XLVI. When the subscription for the shares has been completed, the Organizing Commission shall present to the government the roll of applications and apply for approval to organize the Oriental Development Company.

Article XLVII. When the approval to organize the com-

pany has been obtained, the Organizing Commission shall without delay call for the first payment on all shares.

When the payment mentioned in the preceding paragraph has been made, the Organizing Commission shall call a General Organizing Meeting.

Article XLVIII. When the General Organizing Meeting has been closed, the Organizing Commission shall turn over its business to the President of the Oriental Development Company.

Article XLIX. The Directors and Auditors for the first term shall be appointed without election at a General Meeting of Shareholders. In all other matters the rules of Article 9 shall be followed.

G.

Agreement Between the Governments of Japan and Korea Concerning the Management of the Forests in the Districts Along the Yalu and the Tumen.

The Governments of Japan and Korea, regarding the forests in the districts along the Yalu and Tumen rivers to be the richest source of timber on the Korean frontier, hereby agree on the terms mentioned below as to the management of those forests:

Article 1. The forests in the districts along the Yalu and Tumen rivers shall be under the joint management of the Governments of Japan and Korea.

Article 2. The fund for the management shall be yen 1,200,000, one-half of which shall be invested by each government, respectively.

Article 3. As to the management of the forests and the income and expenditure, a special account shall be created in order to make them clear.

The details of the account shall be notified to each government once a year.

Article 4. The profit or loss of the undertaking shall be divided between the two governments in proportion to the amounts of their investments.

Article 5. In case necessity arises to increase the investment stated in Article 2, it shall be done with the approval of both governments.

Article 6. In case necessity arises to enact detailed rules in order to enforce the present agreement, the duty of compiling such rules shall be submitted to the hands of the commissioners appointed by both governments.

Article 7. If, as the enterprise progresses, a necessity arises to change its organization into a company, so as to enable the subjects of both the countries to join the undertaking, the required process shall be fixed by agreement between both governments.

Hirobumi Ito (signed)

Resident General of the Empire of Japan.

Pak Che-soon (signed)

Prime Minister of the Empire of Korea.

Min Yung-Ko (signed)

Minister of State for Financial Affairs of the Empire of Korea.

Kwan Cheung-hyen (signed)

Minister of State for Agricultural, Commercial and Industrial Affairs of the Empire of Korea.

The 19th day of October, 1906.

H.

Memorandum Concerning the Central Bank in Korea.

The Government of Japan and Korea has agreed upon the following stipulation concerning the establishment of the Bank of Korea.

Article I. The Government of Korea shall establish the Bank of Korea. The government shall grant the bank authority to issue convertible bank notes, and cause it to perform such functions as pertain to the central financial medium in Korea, and to deal in addition with the money of the Japanese Treasury, if so requested by the Bank of Japan.

Article II. The bank notes issued by the Dui Ichi Ginko

Joint Stock Company, shall be regarded as those issued by the Bank of Korea, and the latter shall take over the responsibility of redeeming such bank notes.

Article III. The shares of the Bank of Korea shall be owned by Japanese and Koreans.

Article IV. The principal officers of the Bank of Korea shall for the time being, be appointed from among Japanese.

Article V. The Bank of Korea shall not be required to pay any dividend on the shares owned by the Government of Korea, until the dividend on the shares other than those owned by the said government shall reach six per cent per annum.

Article VI. The Government of Korea shall guarantee for a period of five years after the establishment of the Bank of Korea, a dividend of six per cent per annum on the shares other than those owned by the Government of Korea.

In witness whereof the undersigned have signed and sealed and exchanged the present memorandum drawn up in duplicate both in the Japanese and Korean languages.

July 26th, 42nd year of Meizi.

(Signed.) Viscount Arasuke Sone,
H. I. J. M.'s Resident General.

(Signed.) Yi Wan-Yong,
H. I. K. M.'s Prime Minister.

Note:

The reader will no doubt observe the following differences between the original treaty or agreement for the establishment of the bank, just shown as "H" and the final charter which follows as "I":

The treaty provided that the stock could be owned by both Japanese and Koreans, while the charter provides that only Japanese may become stockholders.

The treaty provided that the government-owned part of the bank shares should belong to Korea, and the charter provides that this government ownership shall be in Japan.

The charter when granted can hardly be recognized in any respect as being consistent or relating to the memorandum treaty.

APPENDIX.

I.

Extracts From the Law Relating to the Bank of Chosen.

(Law No. 48, Promulgated March 1, 1911.)

Chapter I. General Provisions.

Article 1. The Chosen Ginko or the Bank of Chosen shall be a joint stock company with its head office at Keijo (Seoul), Chosen.

Article 2. The bank is authorized to establish branches or agencies, or to open correspondence with other banks, with the sanction of the Governor-General of Chosen.

The Governor-General of Chosen may order the bank to establish branches and agencies when deeming it necessary.

Article 3. The duration of the bank shall be fifty years from the day on which its establishment is registered. Such duration, however, may be prolonged with the sanction of the government.

Article 4. The capital of the bank shall be ten million yen divided into one hundred thousand shares of one hundred yen each. Such capital, however, may be increased with the sanction of the government.

Article 5. The share certificates of the bank shall always bear the names of the holders, and none but the Imperial subjects shall be entitled to become shareholders of the bank.

Article 6. The government shall subscribe for thirty thousand of the shares of the bank.

The shares thus subscribed by the government shall be inalienable.

Chapter II. Directors.

Article 7. The Bank of Chosen shall have one Governor, three Directors or more, and two Auditors or more.

Article 8. The Governor shall represent the bank and control all the business of the bank.

When the Governor is prevented from attending to his duties, one of the directors shall act for him, and when the office of the Governor is vacant, the latter shall attend to the duties of that office.

The Directors shall assist the Governor, and undertake the sectional management of the bank under his direction under the provisions of the by-laws.

The Auditors shall inspect the business of the bank.

Article 9. The Governor shall be appointed by the government, and his term of office shall be for five years.

The Directors shall be appointed by the Governor-General of Chosen from among twice as many candidates, elected at a general meeting of shareholders from among shareholders holding one hundred shares or more, and their term of office shall be for three years.

The Auditors shall be elected at a general meeting of shareholders from among shareholders holding fifty shares or more, and their term of office shall be for two years.

Article 10. The Governor or Directors shall not be allowed to attend to any other duties, or engage in any other mercantile business under any pretence whatever, save that for which the sanction of the Governor-General of Chosen has been given.

J.

Increases in Korea's National Debt During Japanese Control.

Total National Debt as reported by Japan up to December 31, 1917.....	\$46,843,415.00
National Debt at commencement of Japanese control.....	368,256.50
Increase during Japanese control.....	\$46,475,158.50

ITEMS.

<i>Date.</i>	<i>Creditor.</i>	<i>Rate.</i>	<i>Amount.</i>
December 1st, 1908	Industrial Bank, Japan	6½	\$6,481,960.00
March 1st, 1913	Imperial Treasury, Japan	4	526,325.00
April 1st, 1913	Imperial Treasury, Japan	5	15,000,000.00
October 1st, 1914	Deposit Section, Finance Department, Japan	5½	2,500,000.00
March 1st, 1915	Deposit Section, Finance Department, Japan	5½	1,320,435.50
August 1st, 1915	Imperial Treasury, Japan	5½	1,500,000.00
August 1st, 1915	Bank of Chosen, Korea	6	750,000.00
October 1st, 1915	Imperial Treasury, Japan	5½	1,250,000.00
October 1st, 1915	Deposit Section, Finance Department, Japan	5½	155,556.00
March 1st, 1916	Bank of Chosen, Korea	6	3,000,000.00
March 1st, 1916	Imperial Treasury, Japan	5½	1,567,163.50
July 1st, 1916	Imperial Treasury, Japan	5½	1,500,000.00
September 1st, 1916	Imperial Treasury, Japan	5½	2,500,000.00
March 1st, 1917	Imperial Treasury, Japan	5½	1,292,500.00
December 1st, 1917	Imperial Treasury, Japan	5½	7,499,475.00
Total			\$46,843,415.00
Annual Interest Charge.....			\$2,522,063.37

K.

Excess Taxes Collected During Japanese Control of Korea.

Comparative Statement Between Taxes Collected During
Last Year of Korean Control, \$3,561,907.50, and Taxes
Collected Since Under Japanese Control.

<i>Year.</i>	<i>Total Collected Under Japanese.</i>	<i>Excess Collected Over Normal Tax.</i>
1906....	\$3,699,372.00	\$137,464.50
1907....	4,951,436.00	1,389,528.50
1908....	6,144,100.50	2,582,193.00
1909....	6,747,817.00	3,185,909.50
1910....	7,393,666.00	3,831,758.50
1911....	6,595,492.00	3,033,584.50
1912....	6,842,432.00	3,280,524.50
1913....	7,642,303.00	4,080,395.50
1914....	10,101,815.00	6,539,907.50
1915....	10,575,029.00	7,013,121.50
1916....	10,731,620.50	7,170,712.00
1917....	11,416,684.50	7,854,777.00

Total, \$92,841,767.50 Excess over Korea, \$50,098,877.50

